Heber City Corporation City Council Meeting July 18, 2013

6:00 p.m.

WORK MEETING

The Council of Heber City, Wasatch County, Utah, met in **Work Meeting** on July 18, 2013, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

Present: Council Members Robert Patterson

Alan McDonald Benny Mergist Jeffery Bradshaw Erik Rowland

Excused: Mayor David R. Phillips

Also Present: City Manager Mark K. Anderson

City Recorder Michelle Kellogg
City Engineer Bart Mumford
Planning Director Anthony Kohler
Chief of Police David Booth

Others Present: Kyle Baird, Bradley Baird, Anissa Wardell, Rod Hopkins, Kendall Crittenden, Kelleen Potter, and others whose names were illegible.

Council Member Rowland excused Mayor Phillips and indicated he would be serving as Mayor Pro Tempore for this meeting.

<u>Discuss Local Bidder Incentive Ordinance:</u> Council Member McDonald stated he drafted an ordinance in addition to the one drafted by staff. He felt the City should buy from local businesses first, and had asked some business people to come talk on this subject.

Brad Baird stated he owned a local tree farm and worked on loan from Questar to the Economic Development Corporation of Utah where he worked state-wide with communities to bring businesses in and cultivate the existing businesses within the communities. He had seen cities that were business-friendly, and the growth and vitality reflected that. He also had seen business-unfriendly communities, and noted the business climate struggled. A study estimated that in areas where purchases were made from locally owned businesses, 55% of the money was recirculated within the community, compared to 13% of money that recirculated within communities where non-locally owned business purchases were made. He was a firm believer that local business owners could bid aggressively and be the low bidder while offering the same quality of service.

Baird stated most residents that moved to Heber had primary jobs outside of the County. Council Member Bradshaw stated in theory he agreed that it would be wise to purchase items locally, but in reality so many business owners didn't live in Heber, but most commuted or there were national franchises here. Heber was a bedroom community and the City couldn't resolve that without bringing in well paying industry that would keep people in the valley. He thought it was good to buy from local businesses, but there was not much that the City would need on a constant basis. Baird said he had seen communities change.

Council Member Mergist asked what the markers of business-unfriendly communities were, and how would the Council change citizens' minds that it would be good to spend more tax dollars to buy local. He felt it would be difficult to change perception since he saw angry citizens when the City brought in a big box company to provide jobs.

Baird stated the majority of industry in Summit and Wasatch Counties were retail and tourism. The proposed policy allowed the local business bidder to match the low bid. Council Member Mergist was concerned that other bidders would no longer bid when all the projects went to the local business bidder because of this incentive. Baird indicated the Council should look at other communities to see how things were done there.

Mayor Pro Tempore Rowland commented that he felt government should be as small as possible, and this policy crossed the line when it forces the City to buy from local contractors. There was discussion on what constituted local business, whether it was from being established in Heber or from being owned by a local resident.

Baird indicated the community would need to be educated on the benefits of buying local. Successful communities had leaders with vision, and they stepped on a lot of toes and had enemies. But ultimately the residents had seen the vision and they reelected the leaders. Ogden was used as an example of this. Twenty years ago the city was almost dead and now it was known as the outdoor arena of the world. Council Member Mergist asked where the other local business owners were because they weren't here tonight. He asked if the absent business owners perceived that they were doing poorly and needed an incentive. He didn't see the support from the other owners for this incentive. Baird also asserted that fees charged to businesses for licensing should never be a revenue center, but should only cover the costs associated with the license.

Mayor Pro Tempore Rowland commented that from this discussion, it solidified his opinion that he could not support this proposed policy. He felt the City needed to be perceived as fair and honest, and not showing any preferences. The City needed to focus on making the Business License Department more efficient, ie., easier to complete the application, and the Council should focus on determining impact fee fairness, etc. The City should not invoke policies that would affect the free market. Council Member McDonald stated the local bidder policy was good and wasn't for good-ole-boys, but it would generate new revenue in the City and expand the tax base. He looked at other cities and found the benefits of having a policy like this would outweigh the negatives.

It was indicated that a study could be done before passing the ordinance. Council Member Bradshaw said he was involved with local businesses since the 1970s, and trying to convince the public of certain things had always been very difficult. The public wasn't loyal to any business. People wanted inexpensive products so they could survive financially. Rowland felt time would

be better spent looking at business licensing and impact fees, where he knew there would be an immediate effect.

Kyle Baird, real estate agent, observed a lack of confidence in opening new businesses in Heber. He felt this ordinance would help give the perception to Heber business owners that the City was on the owners' side, with local government looking out for the business' best interest. Studies had been done in Salt Lake City, Ogden, and Wayne County, and Baird thought if a "buying local" policy worked in those areas, it should reasonably work in Heber.

Council Member Bradshaw stated Wayne County was more isolated and smaller so local businesses would be healthier there than here. Mayor Pro Tempore Rowland felt a study would do due diligence before making a decision of this sort. Kyle Baird stated in talking with local business owners, it was commonly felt that when the City needed volunteers they went to the local businesses, but when they made purchases, they went out of town.

Kendall Crittenden stated the County passed an ordinance similar to the proposed ordinance in order to keep the work local.

At this time the meeting was suspended to move into the Regular City Council Meeting. After the Regular Meeting adjourned, the discussion continued.

Council Member Mergist stated he would like to visit with Brad Baird again before moving this item from Work Meeting. Council Member McDonald indicated the Council members could research this on their own time. Mayor Pro Tempore Rowland commented that the valley and demographics of Heber were very unique, so time should be taken to evaluate this with those things in mind. A short break was taken at this time.

Council Member Mergist wanted to keep studying this issue, Council Member Patterson wanted to leave the policy as it currently stood, Council Member Bradshaw felt if changes were made, they should be kept simple to start with and continue with further discussion. Council Member McDonald stated the City could try the policy for a year or two and then come back and evaluate it. Council Member Bradshaw noted once a policy went on the books, it would be hard to take it off. Council Member Mergist thought the Council had implemented and revoked items in the past, such as building permit fees. Council Member McDonald stated if this was implemented, the City should widen the 5% allowance, but stay within the guidelines for the business owners to be able to match the low bid. Council Member Mergist noted this item was geared to contractors for big projects and the conversation had been split into different business related issues.

Mayor Pro Tempore Rowland asked if the Council wanted to bring this item back at the next work meeting. Council Member Mergist wanted to put a time limit on the ordinance. Mayor Pro Tempore Rowland wanted to further discuss with staff the ordinance with the sunset clause. Council Member Bradshaw asked if staff could look at different cities. Anderson said he surveyed other cities and gave the feedback to the Council from the comments of those cities in former packet materials. Council Member McDonald stated the differences between staff's ordinance and his were definitions and a preamble. This item was moved to the next work meeting for further review.

<u>Poscuss No Parking Along 1200 West and Midway Lane to 650 South, West Side of the Road:</u> Mayor Pro Tempore Rowland noted that the Council couldn't vote on this. Chief Booth stated the Council needed to give the nod but the ordinance was already in place. The Council agreed to install the No Parking signs at this location.

<u>Discuss No Semi-Truck Parking on Main Street Longer than 45 Minutes from 6:00 a.m. to</u>
<u>10:00 p.m. Except for Delivery and Pick Up:</u> Council Member Mergist asked if the City could legally pass this no parking ordinance. Chief Booth affirmed that it was legal, and if the City gave UDOT a copy of the ordinance, UDOT would provide the signs. Mayor Pro Tempore Rowland stated this item would require an ordinance. The Council agreed to move this ordinance to the next regular meeting.

<u>Discuss City Council Meeting Cancellation August 1, 2013 for Wasatch County Fair Days:</u> The Council agreed to cancel the August 1st meeting.

Anderson stated that Mumford had to award two contracts the last week of July. He felt that the bids could be sent out via email, and the Council could approve the award via email.

Anderson also stated he drafted a letter to the city council and mayoral candidates about political signs, and needed the Council's approval. Mayor Pro Tempore Rowland stated that he was not comfortable saying the City didn't support its own ordinance. Council Members McDonald and Mergist did not have a problem with the letter. It was decided to not address the 45 day sign issue, but only the park strip issue.

Anderson asked the Council for direction in awarding the prize money for the City Logo Contest since one person had two winning entries. The Council agreed to give two hundred to that winner.

Anderson noted that Jviation stated the scope of work had been expanded so the budget was expanded to \$9,600. Mayor Pro Tempore Rowland reviewed that this was the study to determine appropriate hangar lease rates and extensions. Anderson stated originally he estimated the project to cost \$6,000-\$8,000. He asked UDOT Aeronautics if they would like to participate and they indicated they would think about it. Mayor Pro Tempore Rowland, speaking as an Airport Board member, said the Board needed to understand what other airports were doing and other areas of the study that had been vague. For these reasons the scope was expanded. Anderson stated the bid increased \$2,600. The Council agreed to increase the budget for the expanded study.

Anderson stated that the Council needed to move forward with how to proceed with the public safety building. He thought it was time to get an architect and start the application process for CIB funding. Council Members Mergist and McDonald asked for a local architect. Anderson stated he would send out an RFP for architects.

Mumford noted that the Public Works Department installed secondary irrigation on Mill Road from Valley Hills Drive to 600 South. It was noted that October 1, 2013, the 11 residents now connected to the system would get billed whether they hooked onto secondary irrigation or not.

Council Member Mergist moved to go into Closed Session at 8:40 p.m. to discuss the purchase or sale of real estate. Council Member Bradshaw made the second. Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw, and Rowland.

Council Member Mergist moved to adjourned from Closed Session at 8:47 p.m. Council Member Bradshaw seconded the motion. Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw, and Rowland.

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder